



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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M/47/032

January 27, 2003

Mr. Daniel O'Leary  
Crown Asphalt Ridge, LLC  
150 West Jefferson, Suite 1700  
Detroit, Michigan 48226

Mr. Jay Mealey  
Crown Asphalt Corporation  
215 South State, Suite 650  
Salt Lake City, Utah 84111

Re: Permit Transfer Application, Crown Asphalt Corporation, Asphalt Ridge Tar Sands Mine and Asphalt Ridge Oil Sands Exploration Project, M/047/032 and E/047/047, Uintah County, Utah

Dear Mr. O'Leary and Mr. Mealey:

On November 26, 2002, the Division received an application to transfer the notices of intention for the Asphalt Ridge Tar Sands Mine (M/047/032) and the Asphalt Ridge Oil Sands Exploration Project (E/047/047) from Crown Asphalt Corporation to Crown Asphalt Ridge, LLC. You also asked how to most expeditiously include the exploration notice of intention with the mine notice. The application includes maps showing the permitted areas, and one of these maps is the same as the map received with your September 20, 2001 letter, clarifying some of the acreage figures.

There are a few problems with the application that need to be corrected or clarified before it can be approved. In particular, some of the narrative in Appendix "A" should probably be removed because it may be confusing. It may be better to give a simple legal description rather than including any discussion about the operations. The following issues need to be resolved:

1. The application states that the on-site extraction facility will be located on approximately five acres of land in the SE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 30. Is this extraction facility the same as the process area shown on the map you provided? If so, the process facility is shown as being 10.8 acres rather than five. Five acres is the area shown in the current mine plan and mentioned in our March 7, 2001 letter, as apparently not being correct.



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2. The first paragraph in the description says clean sand material will be placed in the S½ of the SE¼ of Section 30 for temporary storage. Is this area within the process area? If so, there is no need to include this description of the operations. If not, it appears this temporary storage area may actually be the reclamation and bonding responsibility of Uintah County and should not be included in your legal description.
3. The last map in the application package shows a tar sand pile and a point labeled "GPS coordinates showing limits of disturbed area". It is our understanding that these areas may not be within your area of responsibility. If that is correct, we suggest that the coordinates be modified or eliminated from the map, or that the map be eliminated from the application package.
4. The legal description for the exploration transfer application includes the SE¼ of Section 30 and the SE¼ of Section 31, Township 45 South, Range 21 East. According to the map and legal description contained in the original notice, the correct description includes the NE¼ of Section 31 rather than the SE¼. Please confirm the correct description.

In addition to answering these questions about the legal descriptions and maps, we will require a replacement surety in the name of the new permittee, Crown Asphalt Ridge, LLC, before we can complete the permit transfer process. We will also need a fully executed and signed Reclamation Contract (form MR-RC).

The Division normally reevaluates the reclamation surety for adequacy every five years. The Asphalt Ridge Mine surety was due to be reviewed in November 2001. We could transfer the permit independently from the 5-year surety review process, but would prefer to update the reclamation surety amount and transfer the permit at the same time. This would avoid the difficulty of changing the surety amount again this year.

We have recently received maps from you showing boundaries of the disturbed areas, but to assist us in our review of the current reclamation cost estimate, we request an updated map of your mine site showing current surface facilities and all mining related disturbances. Please provide the updated map at a scale of not less than 1 inch = 500 feet (preferably 1 inch = 200 feet), which includes: buildings, stationary mining/processing equipment, roads, utilities, power lines, drainage structures (i.e. berms, culverts, ditches, canals, etc.), topsoil, ore and product storage areas, overburden/waste dumps, tailings or processed waste facilities, solid and liquid wastes, evaporation ponds, and wastewater discharge treatment and containment facilities, etc. This map should include all areas affected by this operation to date. Please ignore items listed above which do not apply to your site.

Please provide this information within the next 60 days, or no later than March 28, 2003. After we receive this information, we will likely schedule a site inspection to verify the maps and to better understand how the reclamation will be accomplished.



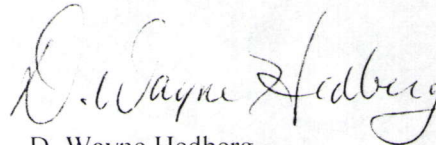
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To include the Exploration Notice of Intention as part of the mining operation, you need to submit a revised notice that includes a map of the exploration area. A copy of form MR-REV is enclosed for your convenience in supplying this information. Reclamation costs for the exploration area will need to be included in the bond and the legal description included in Appendix A of the Reclamation Contract.

If you have any questions regarding the requirements for completing the transfer, please call me at (801) 538-5286, or Paul Baker at 538-5261. Questions concerning the bond review should be directed to Doug Jensen at 538-5382. Thank you for your cooperation and prompt attention to this information request.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg".

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

Enclosure: MR-REV

cc: Paul Felch, Uintah County  
E. Blaine Rawson, Holme Roberts, and Owen LLP  
Will Stokes, SITLA  
Doug Jensen, DOGM

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